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C O N F I D E N T I A L ATHENS 000175

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TAGS: [MNUC](#) [PARM](#) [PREL](#) [PHSA](#) [EWWT](#) [KNNP](#) [KTIA](#) [GR](#)  
SUBJECT: TIME WARP: GREEK COUNTER-PROPOSAL ON PSI  
SHIPBOARDING AGREEMENT

REF: A. 04 ATHENS 2663  
[1](#)B. 04 ATHENS 2730  
[1](#)C. 04 ATHENS 3669  
[1](#)D. 05 ATHENS 605  
[1](#)E. 05 ATHENS 2084  
[1](#)F. 06 ATHENS 1109

Classified By: AMBASSADOR CHARLES RIES. REASONS 1.4 (B) AND (D).

[1](#)1. (SBU) On January 24, MFA provided Embassy a proposed text for the claims provisions section of the bilateral shipboarding agreement (see para 4 below). According to Vassilios Moutsoglou of the MFA D1 Directorate for International Organizations and Non-Proliferation, this text reflects MFA discussions with the Union of Greek Shipowners, who also visited Department in May 2006 to discuss their concerns.

[1](#)2. (SBU) Moutsoglou requested Embassy to provide the name, phone and fax numbers, and e-mail address of the American specialist on this matter in the Department's Bureau of Legal Affairs so that the Greek and American experts could discuss the text directly.

[1](#)3. (C) COMMENT: The latest Greek proposal appears to us very close in substance and wording to the Greek draft of March 17, 2006, and appears not to take into account other subsequently proposed texts and discussions with shipowners in Washington in May 2006. While the long delay in providing a response on the Greek side could in part be explained by changes in personnel at the MFA since last spring, it is also likely due to continued deep reluctance on the part of Greek shipowners to consent to the standard claims provisions we prefer. The delay also probably reflects a reluctance on the part of the MFA or Ministry of Mercantile Marine to confront -- or even engage -- the powerful shipowners, who are major international financial players and control the world's largest commercial shipping fleet. We have observed the GoG's reluctance to engage shipowners on other issues as well. For example, the GoG was very timid in pushing shipowners to provide assets to assist in the Lebanon evacuations last summer. Embassy would welcome Department assessment of the text below. Concluding an agreement will likely require more than a legal/technical response. Rather, we will need to argue, at senior levels in both Athens and Washington, that this is a security issue requiring the expenditure of political capital by the GoG. END COMMENT.

[1](#)4. (SBU) The following is the Greek proposed text of January 24, 2007. Grammatical irregularities are preserved from the original.

BEGIN TEXT:

GREEK PROPOSAL

¶1. Any damage, harm, injury, death, or loss which is suffered as result of any action taken by the Security Force Officials of the boarding Party in contraventions of this Agreement or as a result of any improper or unreasonable action taken by that Party, shall be fully compensated in accordance with paragraph 2.

¶2. Any claim may be settled through any administrative procedure available to the claimant. In case the claimant is not satisfied the dispute will be referred to arbitrations in London in accordance with the Arbitration Acts 1950 and 1979 or any statutory modifications or re-enactment thereof for the time being in force, one arbitrator being appointed by each party. On the receipt by one party of the nomination in writing of the other party,s arbitrator, that party shall appoint their arbitrator within fourteen days, failing which the decision of the single arbitrator shall apply. If two arbitrators properly appointed do not agree they shall appoint an umpire whose decision shall be final. The parties will be considered to participate as private parties thereto. The arbitrator,s award shall be binding upon the parties. The parties shall take all necessary steps for the recognition and enforceability of the award in their territories. The arbitrator and/or umpire will apply in connection with the dispute the English law.

¶3. Without prejudice to the means referred to in para.2 above, the Parties may consult, at the request of either Party, in an effort to resolve the dispute in an amicable way

¶4. Any claim for injury to or loss of life of a security force official of a Party and/or any claim for damage suffered by a boarding ship or helicopter, while carrying out operations arising from this Agreement shall be solely borne by that Party and resolved in accordance with it laws.

END TEXT  
RIES